

Message Text

UNCLASSIFIED

PAGE 01 BRUSSE 19130 01 OF 02 211932Z

ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 FRB-01 INR-07 NSAE-00 SP-02 STR-05
TRSE-00 LAB-04 SIL-01 OMB-01 AGRE-00 DODE-00 H-02
INT-05 L-03 PA-02 CTME-00 SS-15 ITC-01 PRS-01
SOE-01 DOE-12 NSCE-00 SSO-00 USIE-00 INRE-00 /116 W
-----118023 211948Z /45

O 211902Z DEC 77

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 3919

INFO ALL EC CAPITALS

USMISSION GENEVA

AMEMBASSY TOKYO

AMEMBASSY ATHENS

AMEMBASSY MADRID

AMEMBASSY LISBON

UNCLAS SECTION 01 OF 02 BRUSSELS 19130

USEEC, PARIS ALSO FOR USOECD

E.O. 11652: N/A

TAGS: EEC, EIND, ETRD

SUBJ: EC FOREIGN MINISTERS COUNCIL, DECEMBER 19-20, 1977:

STEEL DISCUSSIONS

REF: BRUSSELS 18991

1. FOLLOWING IS TEXT OF EC COUNCIL PRESS
RELEASE ON THE DECEMBER 19-20 EC FOREIGN MINISTERS COUNCIL
DISCUSSION OF INTERNAL (SEPTTEL) AND EXTERNAL (REFTEL)
STEEL ISSUES.

2. BEGIN TEXT:

IRON AND STEEL PROBLEMS:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 19130 01 OF 02 211932Z

THE COUNCIL EXAMINED IN DETAIL THE WHOLE RANGE OF INTERNAL
AND EXTERNAL MEASURES TO BE INTRODUCED ON 1 JANUARY 1978
IN ORDER TO RESOLVE THE PRESENT CRISIS IN THE COMMUNITY
IRON AND STEEL INDUSTRY; AT THE END OF THE DISCUSSIONS,
THE COUNCIL REACHED AN OVERALL POLICY AGREEMENT.

WITH REGARD TO THE EXTERNAL MEASURES, THE COUNCIL INVITED THE COMMISSION TO PROPOSE, ALONG THE LINES OF THE OECD DECLARATION, THAT ALL THE COUNTRIES WHICH EXPORT STEEL
UNCLASSIFIED

TO THE COMMUNITY, CONCLUDE WITH THE COMMISSION BILATERAL ARRANGEMENTS FOR PRICE RESTRAINT SO AS NOT TO PROVOKE A DISTURBANCE ON THE COMMUNITY MARKET WHICH WAS BASED ON COMMUNITY MINIMUM PRICES. THIS COULD ONLY BE ACHIEVED IF AT THE SAME TIME ASSURANCES WERE GIVEN ON THE MAINTENANCE OF TRADITIONAL TRADE PATTERNS ON THE BASIS OF 1976, TAKING INTO ACCOUNT THE TREND TOWARDS LOWER CONSUMPTION FORECAST FOR 1978.

THE COUNCIL ALSO TOOK NOTE OF THE ACTION WHICH THE COMMISSION WOULD BE TAKING TO TERMINATE THE DISTURBANCES ON THE COMMUNITY MARKET.

FROM 1 JANUARY 1978, PENDING THE CONCLUSION OF BILATERAL AGREEMENTS WHICH SHOULD BE CONCLUDED BY THE END OF MARCH, THE FOLLOWING MEASURES WILL APPLY:

--IN ACCORDANCE WITH THE PROVISIONS OF GATT ON DUMPING, THE PUBLICATION IN THE OFFICIAL JOURNAL OF A BASIC PRICE REFLECTING THE LOWEST PRODUCTION COSTS IN THE EXPORTING
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 19130 01 OF 02 211932Z

COUNTRY IN WHICH NORMAL CONDITIONS OF COMPETITION EXIST;

--COMPULSORY INDICATION OF THE DELIVERY PRICE IN THE AUTOMATIC IMPORT LICENSES;

--RECORDING BY THE CUSTOMS ADMINISTRATIONS ON BEHALF OF THE COMMISSION OF ANY DIFFERENCES BETWEEN THE PUBLISHED BASIC PRICE AND THE DECLARED DELIVERY PRICE;

--THE IMMEDIATE IMPOSITION BY THE COMMISSION OF TEMPORARY COUNTERVAILING DUTIES.

IN ORDER TO ENABLE THE SYSTEM TO BECOME FULLY OPERATIVE ON 1 JANUARY, THOSE AUTOMATIC LICENSES WHICH WERE UNUSED ON 20 DECEMBER 1977 WILL BE CANCELLED AND MUST THEREFORE BE RESUBMITTED. THERE WILL BE EXCEPTIONS FOR GOODS CONSIGNED BY SHIP BEFORE 20 DECEMBER 1977 AND GOODS ON RAIL (ESPECIALLY FOR THE EASTERN EUROPEAN COUNTRIES) WHICH WILL BE ACCEPTED UNTIL 31 DECEMBER. HOWEVER, THE NORMAL ANTI-DUMPING RULES WILL APPLY TO SUCH IMPORTS. PENDING THE CONCLUSION OF THE PRICE AND QUANTITY ARRANGEMENTS TO BE NEGOTIATED BY THE COMMISSION WITH THIRD

COUNTRIES, THE COUNCIL AGREED IN PRINCIPLE TO A MEASURE
BANNING COMMUNITY UNDERTAKINGS FROM ALIGNING THEIR PRICES
ON TENDERS FOR IRON AND STEEL AND PIG IRON PRODUCTS FROM
CERTAIN THIRD COUNTRIES. THIS MEASURE WILL BE INTRODUCED
WHEN THE AGREEMENTS WITH THIRD COUNTRIES HAVE ENTERED
INTO FORCE.

THE COUNCIL ALSO APPROVED THE CRISIS MEASURES FOR THE
INTERNAL MARKET, IN BOTH THEIR ASPECTS I.E. THE STEPS TO
BE TAKEN TO INCREASE PRICES AND ESTABLISH GREATER
RESTRAINT ON THE COMMUNITY MARKET, AND ALSO THE
COMMISSION'S IDEAS ON THE REORGANIZATION OF THE IRON AND

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BRUSSE 19130 02 OF 02 211936Z
ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 FRB-01 INR-07 NSAE-00 SP-02 STR-05
TRSE-00 LAB-04 SIL-01 OMB-01 AGRE-00 DODE-00 H-02
INT-05 L-03 PA-02 CTME-00 SS-15 ITC-01 PRS-01
SOE-01 DOE-12 NSCE-00 SSO-00 USIE-00 INRE-00 /116 W
-----118068 211947Z /45

O 211902Z DEC 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC IMMEDIATE 3920
INFO ALL EC CAPITALS
USMISSION GENEVA
AMEMBASSY TOKYO
AMEMBASSY ATHENS
AMEMBASSY MADRID
AMEMBASSY LISBON

UNCLAS SECTION 02 OF 02 BRUSSELS 19130

USEEC, PARIS ALSO FOR USOECD

STEEL INDUSTRY.

THE COUNCIL GAVE ITS ASSENT TO MEASURES FOR CORRECTING
THE DISTORTIONS ON THE MARKET, WITH THE AIM OF ENSURING
THAT THE PRICE REGULATIONS WERE OBEYED BY DEALERS IN IRON
AND STEEL PRODUCTS.

IT ALSO TOOK PART IN CONSULTATION ON THE MINIMUM PRICES
WHICH THE COMMISSION IS TO FIX FROM 1 JANUARY FOR CONCRETE

REINFORCEMENT BARS, WIDE HOT-ROLLED STRIP AND LAMINATED
MERCHANT BARS.

FINALLY, THE COUNCIL TOOK NOTE OF THE VARIOUS MEASURES
WHICH THE COMMISSION INTENDED TO TAKE AS PART OF ITS
CRISIS PLAN, VIZ. IN PARTICULAR INCREASING THE GUIDE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 19130 02 OF 02 211936Z

PRICES BY FIFTEEN PERCENT IN THE COURSE OF 1978, A FIVE
PERCENT INCREASE BEING APPLIED ON 1 JANUARY 1978, AND
OBLIGING UNDERTAKINGS

--IN THE STEEL INDUSTRY IN GENERAL TO ISSUE CERTIFICATES
OF CONFORMITY FOR CERTAIN STEEL PRODUCTS;

--PRODUCING MERCHANT BARS, SECTIONS, COILS AND CONCRETE
REINFORCEMENT BARS TO SUPPLY CERTAIN DATA ON
THEIR DELIVERIES OF THESE PRODUCTS.

IN ORDER TO IMPLEMENT ALL THESE MEASURES AND
ATTAIN THE OBJECTIVE OF RESTRUCTURING THE COMMUNITY STEEL
INDUSTRY, THE COUNCIL, HAVING NOTED

--THE COMMISSION'S INTENTION OF RESERVING THE APPROPRIATION
OF 32 MEUA INTENDED TO BALANCE THE ECSC BUDGET EXCLUSIVELY
FOR RESTRUCTURING THE COMMUNITY STEEL INDUSTRY, CREATING
ALTERNATIVE EMPLOYMENT AS PART OF THE CONVERSION POLICY
FOR THE STEEL INDUSTRY AND GRANTING SOCIAL AID FOR
RELOCATION OF LABOUR;

--THE COMMISSION'S INTENTION OF PROVIDING A FRAMEWORK FOR
NATIONAL AID IN ACCORDANCE WITH THE PROVISIONS OF THE
TREATY AND REQUESTING THE ASSENT OF THE COUNCIL, PURSUANT
TO THE FIRST PARAGRAPH OF ARTICLE 95, TO THE MEASURES
NECESSARY, TAKING INTO ACCOUNT THE OBJECTIVES SET OUT IN
THE PREVIOUS PARAGRAPH;

--THE COMMISSION'S INTENTION OF SUBMITTING THE GENERAL
OBJECTIVES FOR STEEL FOR 1985-1990 TO THE COUNCIL FOR
CONSULTATION AS SOON AS THEY HAVE BEEN DRAWN UP;

--THE PROPOSALS MADE BY THE COMMISSION TO TRANSFER THE
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 19130 02 OF 02 211936Z

CUSTOMS DUTIES ON ECSC PRODUCTS TO THE OPERATIONAL BUDGET
OF THE ECSC;

DECIDED IN PRINCIPLE TO ALLOCATE 32 MEUA TO THE OPERATIONAL
BUDGET OF THE ECSC FOR 1978 AND UNDERTOOK TO ADOPT THE
APPROPRIATE MEASURES IN DUE COURSE. DETAILED ALLOCATION
PRECEDURES WILL BE DETERMINED LATER. END TEXT.HINTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, FOREIGN MINISTERS MEETINGS, PRESS RELEASES
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE19130
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770476-0409
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771229/aaaaayek.tel
Line Count: 228
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2e2649fe-c188-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 BRUSSELS 18991
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 151679
Secure: OPEN
Status: NATIVE
Subject: EC FOREIGN MINISTERS COUNCIL, DECEMBER 19-20, 1977: STEEL DISCUSSIONS
TAGS: EIND, ETRD, XT, EEC
To: STATE EC POSTS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2e2649fe-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009